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ABSTRACT

An examination of the employment service's operations in Maryland, Michigan, and Florida showed that its functions fall into two broad categories: labor exchange and non-labor exchange. State and local employment service officials and many employers believed the non-labor exchange functions detract from the labor exchange missions. The extent and use of automated systems varied considerably depending on the importance state and local offices place on the data provided. Budget cutbacks resulted in reducing staffing levels and the closing of some offices. Although access to the service was available to anyone, fiscal year 1981 job applicants were often younger and less educated than the general labor force. Jobs listed by the service were most often in nonprofessional and lesser skilled occupations and were frequently of short duration. Many of the 30 employers contacted said they did not place better jobs with the service because they felt qualified applicants do not use it. The 18 employers who used the service generally had a favorable opinion. The service was usually integrated or linked to local Comprehensive Employment and Training Act programs. (A 30-page appendix provides more detailed information on the same topics.) (YLB)

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BY THE U.S. GENERAL ACCOUNTING OFFICE

Report To The Chairman Committee On Education And Labor House Of Representatives

ED224931

Information On The U.S. Employment Service's Programs, Activities, And Functions

This report contains information on

--the various functions performed by the Employment Service, including the basic job matching role as well as other nonlabor-exchange functions;

--how existing automated systems are used;

--ramifications of recent budget cutbacks and how cuts have affected services to job seekers and employers;

--characteristics of job applicants and Employment Service referrals and placements;

--profile of employment opportunities offered by the Employment Service and its success in filling them;

--employers' opinions of and experiences with the Employment Service; and

--linkages between the Employment Service and other employment and training programs.

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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

HUMAN RESOURCES
DIVISION

B-207208

The Honorable Carl D. Perkins
Chairman, Committee on Education
and Labor
House of Representatives

Dear Mr. Chairman:

In your February 12, 1982, letter and through subsequent discussions with your office, we were requested to provide a statement of facts on the information gathered during our ongoing survey of the U.S. Employment Service. You expressed specific interest in

--the various functions performed by the Employment Service, including the basic job matching role as well as other nonlabor-exchange functions;

--how existing automated systems are used;

--ramifications of recent budget cutbacks and how cuts have affected services to job seekers and employers;

--characteristics of job applicants and Employment Service referrals and placements;

--profile of employment opportunities offered by the Employment Service and its success in filling them;

--employers' opinions of and experiences with the Employment Service; and

--linkages between the Employment Service and other employment and training programs.

This letter summarizes the information gathered. A more detailed discussion of each issue is contained in appendix I.

OBJECTIVES, SCOPE, AND METHODOLOGY

The objectives of our survey are to obtain more thorough knowledge of the Employment Service's programs and to identify problem areas warranting further review. In addition, we are assessing the actions taken on recommendations in our February

1977 report titled "The Employment Service--Problems and Opportunities for Improvement" (HRD-76-169). The survey is still in progress and should be completed later this year.

The original scope of our examination covered the Employment Service's operations in Maryland and Michigan. However, we added Florida because of your expressed interest in information on a State with an employment rate closer to the national average, an automated job matching system, and a higher applicant placement rate.

We performed our work at the U.S. Employment Service headquarters in Washington, D.C., and the Atlanta, Chicago, and Philadelphia regional offices. At the State level, we visited the Employment Service headquarters in each of the 3 States and 12 local employment service offices--5 in Florida, 4 in Maryland, and 3 in Michigan. We also interviewed 30 employers identified for us by State Employment Service officials as representative employers in the area that either do or do not use agency services and local administrators of 9 Comprehensive Employment and Training Act programs.

The data in this letter and the appendixes were gathered from interviews with responsible officials and available records. Because of your need for our reply by April 30, we did not have sufficient time to completely verify all financial or program data provided by regional, State, and local Employment Service personnel. In addition, the State and local information we obtained represents only those locations visited and cannot be projected to a larger universe because of our limited scope and methodology.

EMPLOYMENT SERVICE FUNCTIONS

The functions performed by the Employment Service fall into two broad categories: (1) labor-exchange functions such as making employer visits, taking job orders, and interviewing, counseling, and testing job seekers; and (2) nonlabor-exchange functions which do not directly relate to finding jobs or attracting qualified applicants. These functions include migrant and seasonal farmworkers' housing inspections, alien labor certifications, and unemployment insurance work test verifications.

State and local Employment Service officials, as well as many of the employers we contacted believe the nonlabor-exchange functions detract from the labor-exchange mission. They said that these functions place the Employment Service in a conflicting role of enforcing various legislative requirements on employers while soliciting job orders from them. In their opinion, the time and resources devoted to these nonlabor-exchange functions would be better spent on meeting with employers, servicing applicants, and projecting employment trends. (See pp. 2 through 6 of app. I.)

AUTOMATED SYSTEMS

The extent and use of automated systems varies considerably depending on the importance State and local Employment Service offices place on the data the systems provide. There are a total of six integrated systems in the three States we visited that provide information on jobs, applicants, or performance.

--Employment Security Automated Reporting System

--Job Bank

--Applicant Data System

--Interstate Clearance System

--Job Service Matching System

--Employer Information System

Nationwide, all States have the Employment Security Automated Reporting System, Job Bank, and Applicant Data System. Florida, Maryland, and Michigan each provide inputs to and use the Interstate Clearance System. Florida is the only State in our survey that has automated Job Service Matching and Employer Information systems.

Although the uses of these systems vary considerably, State and local Employment Service officials' opinions about them ranged from very important to a waste of resources. None of the three States plans to expand its use of automation due to scarce resources. (See pp. 7 through 9 of app. I.)

RAMIFICATION OF BUDGET CUTBACKS

The State Employment Services are currently operating under an appropriation that is lower than their appropriation for fiscal year 1981 and 16 percent less than originally budgeted for fiscal year 1982. The reduced funding level resulted in reduced staffing levels and the closing of some Employment Service offices.

Former President Carter's January 1981 budget request was for $879 million to administer the Employment Service in fiscal year 1982; this was revised by President Reagan to $729 million in March 1981. The third continuing resolution authorized $524.5 million for the Employment Service; Congress later approved a supplemental appropriation that brought the 1982 funding level up to $735 million.

Various measures are planned or have been taken in the States we visited to streamline Employment Service operations. However, State and local officials told us that they have little flexibility in terms of how resources can be used because of Federal

requirements imposed on them. For example, the Employment Service must now fund all positions for the Disabled Veterans Outreach Program with its appropriated grant moneys. These positions were previously funded through the Comprehensive Employment and Training Act. Therefore, the State Employment Services must set aside a number of positions for the Disabled Veterans Outreach Program, thus limiting their staffing options. State and local officials told us that problems such as this deter their providing quality services to all job seekers, and limit their ability to commit resources to gaining an appreciation for and understanding of the needs of employers, as well as introducing nonuser employers to the Employment Service. (See pp. 9 through 13 of app. I.)

APPLICANTS SERVED BY THE EMPLOYMENT SERVICE

The Wagner-Peyser Act provides that access to the U.S. Employment Service is available to anyone who applies. However, Labor's national statistics show that the 13 million job applicants registered by the Employment Service in fiscal year 1981 were often younger and less educated than the general labor force. State officials told us this disparity occurs because the view of the Employment Service as an exchange medium for only low-paying, low-skilled jobs has discouraged both applicants and employers from using the service for better-paying, high-skilled jobs. (See p. 13 of app. I for more specific data on the characteristics of applicants registered in 1981.)

Nationwide, the Employment Service found jobs for 28 percent of the applicants registered in fiscal year 1981. However, some groups were placed by the Employment Service more frequently than others.

Participant characteristics	Percent of applicants placed in jobs
Age 19 and under	46
Age 30 and over	21
Less than 12 years' education	34
More than 12 years' education	24
Veterans	33
Migrant and seasonal farmworkers	75
Unemployment Insurance claimants	18

(See pp. 13 through 16 of app. I.)

EMPLOYMENT OPPORTUNITIES

Jobs listed by the Employment Service are most often in non-professional and lesser-skilled occupations, average about $1 an hour more than minimum wage, and are frequently for short duration (150 days or less).

The Employment Service lists jobs in 13 groups of occupational categories ranging from career oriented professional positions to short-term domestic employment. Although the service frequently offers jobs in clerical, service-related, and professional, technical, and managerial occupations, success at finding qualified applicants varied depending upon occupational category, expected length of the job, and starting wage rate. For example, in fiscal year 1981 approximately 92 percent of the short-duration jobs were filled, while 63 percent of the long-term jobs were filled.

State and local Employment Service officials told us they are more successful in filling the short-duration and low-skilled jobs because the job seekers who come to them are more likely to be qualified for, or interested in, these positions.

Many of the 30 employers we contacted told us they do not place better jobs with the Employment Service because qualified applicants, in their view, do not use the service. Therefore, these employers would rather use alternative sources such as want ads, private agencies, or their own recruiting efforts. (See pp. 16 through 18 of app. I.)

EMPLOYER OPINIONS OF THE EMPLOYMENT SERVICE

Our sample of employers contained 18 who used the Employment Service and 12 that did not. The 18 employers who list jobs with the Employment Service generally have a favorable opinion of the service. These employers told us they use the Employment Service because it is a quick source of job applicants who can be screened and tested before referral to them. In addition, they said that the Employment Service assists them in fulfilling their affirmative action goals because it provides a number of applicants who are females or members of minority groups.

The 12 employers who do not use the Employment Service told us they do their own testing and screening of job applicants. However, only 3 of the 12 said they were dissatisfied with their prior experience with the Employment Service. Some of the other nine used ES in the past and were satisfied with their experience.

Several employers said they do not believe the Employment Service is as effective as it could be in providing services and placing job applicants. Of the 30 employers interviewed, 11 said that they do not believe the Employment Service staff were aggressive enough in marketing the types of services they can provide to

employers. Some said that employer contact with the Employment Service was often limited to telephone conversations when job openings occurred. As a result, these employers did not believe they had adequate information on what the Employment Service could provide them. (See pp. 18 and 19 of app. I.)

LINKAGES WITH OTHER EMPLOYMENT AND TRAINING PROGRAMS

The Employment Service is usually integrated or linked to local Comprehensive Employment and Training Act programs through financial and/or nonfinancial agreements. Financial agreements most often call for the Employment Service to refer applicants to these employment and training programs, and once the applicants have completed training, the service will assist them in finding jobs. Nonfinancial agreements take the form of joint or coordinated employer contacts, counseling service referrals, veterans services, and other agreements.

The purpose of either form of agreement is to diminish the amount of duplication, competition, and misunderstanding between the Employment Service and the local employment and training program. All but one of the locations we visited had either a financial or nonfinancial agreement. Some had both. Although time did not permit an evaluation of these linkages, most local administrators and Employment Service officials believe they have good rapport and that the linkages currently in place are reducing duplication of applicant referrals. (See pp. 20 and 21 of app. I.)

Labor officials reviewed a draft of this report and their comments are included where appropriate. As arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 10 days from the date of the report. At that time we will send copies to interested parties and make copies available to others upon request.

Sincerely yours,

Gregory J. Ahart
Director

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ABBREVIATIONS

CETA	Comprehensive Employment and Training Act
DVOP	Disabled Veterans Outreach Program
ES	Employment Service
ESARS	Employment Security Automated Reporting System
MSFW	Migrant and Seasonal Farmworkers
UI	Unemployment Insurance
WIN	Work Incentive

INFORMATION ON THE U.S. EMPLOYMENT SERVICE'S PROGRAMS, ACTIVITIES, AND FUNCTIONS

The U.S. Employment Service's (ES') activities are part of the Federal-State employment security program authorized under the Wagner-Peyser Act, as amended (29 U.S.C. 49), and the Social Security Act (42 U.S.C. 501). Since establishment in 1933, ES has served as a labor exchange for persons seeking work and for employers with jobs to fill. ES provides counseling, testing, and other manpower services to job seekers. Employers submit job orders to ES which refers applicants to these openings. In addition to referring applicants, ES helps employers develop job skill requirements and provides labor market information for employer use.

ES activities are financed principally with Federal unemployment taxes collected from employers under the Federal Unemployment Tax Act (26 U.S.C. 3301). The Congress appropriates these funds to ES for allocation to the States. Use of these allocated funds is restricted to providing services to the work force whose employers are subject to the Federal Unemployment Tax Act. Services to the work force whose employers are not subject to the act, such as nonprofit organizations, farmers, and small family businesses, are financed by appropriations from general revenues. Federal, State, and local governments are not required to pay the Federal part of the unemployment tax, but their employees are eligible for ES services.

ES is a cooperative Federal-State program with about 2,000 local employment offices in the 50 States, Puerto Rico, Guam, the Virgin Islands, and the District of Columbia. ES provides guidance, technical assistance, procedures, and standards for operating the program through the Department of Labor's Employment and Training Administration. State governments operate ES with guidance and assistance from Labor's regional offices. Local ES offices, depending on size, geographic location, and clientele, have applicant interviewers, employer service representatives, counselors, and veteran representatives who serve applicants and employers.

In fiscal years 1980 and 1981 funds were allocated to each State by using a formula that distributes 98 percent of the appropriated funds based on the State's prior year's allocation and 2 percent based on the number of individuals placed in jobs per ES staff. Funds were allocated in 1982 based on the State's prior year allocation.

Various economic factors within each State directly affect the productivity of the Employment Service. The following descriptions of economic conditions in Florida, Maryland, and Michigan are provided to give the reader a perspective of their impact on ES. The majority of this information was obtained from conversations with ES personnel in each State.

Florida

Florida is a relatively nonunionized, service-oriented State with a civilian labor force of 4.2 million people in October 1981. Florida's unemployment rate was 8.9 percent in March 1982. Although affected by the Nation's economic conditions, their impact tends to hit Florida a few months after the other States. A reason cited for this situation is that Florida's economy is diversified into service-industry, tourism, farm labor, and small manufacturing. Also, a large percentage of Florida's population consists of veterans and senior citizens. These groups tend to stabilize the economy because they have steady incomes and are in need of services. Florida also has a large number of transients and workers interested in short-term employment. In addition, the level of unemployment benefits and wage rates is relatively low.

Maryland

Maryland has a civilian labor force of 2.2 million people, and, as of February 1982, it had an unemployment rate of 9.8 percent. The State is dominated by two economic centers--one predominately unionized trade and manufacturing and the other government and service industry. Severe cutbacks have occurred in the trade and manufacturing occupations, while there is less unemployment in the government and service industries. State officials said the average manufacturing wage is approximately two and one half times the minimum wage, so unemployment claimants losing jobs in these industries are reluctant to take jobs at a lower wage rate.

Michigan

Michigan is a highly unionized, industrial State with a civilian labor force of 4.4 million people. The economy, which revolves predominately around automobile and automobile-related industries, had a 16.1 percent unemployment rate in March 1982--the highest in the country. The population is decreasing as workers leave the State for areas with better employment opportunities. Further, unemployment taxes and benefits are relatively high in Michigan. According to Michigan State ES officials, this deters employers from locating in that State and workers from seeking employment at lower wage rates.

ES FUNCTIONS AND RESPONSIBILITIES

ES performs a wide array of functions, many of which do not directly relate to its primary objective of matching applicants with jobs. We found that in addition to labor-exchange functions, such as interviewing, counseling, and testing job seekers, making employer visits, and taking job orders, ES performs several nonlabor-exchange functions, many of which are financed from the Federal Unemployment Tax.

For example, in Florida, Michigan, and Maryland, ES was identified as having responsibilities related to seven nonlabor-exchange activities. (See pp. 15, 16, and 22 through 29 for descriptions of the following activities.)

--Unemployment Insurance (UI) work-test certification.

--Alien labor certification.

--Migrant and seasonal farmworker enforcement activities.

--Food stamp certification.

--Farm crewleader registration (Florida only).

--ES complaint followup.

--Determining impact of U.S. Department of Agriculture loans under the Consolidated Farm and Rural Development Program.

For the most part, the resources allocated for primary ES labor-exchange functions were used to perform these activities. Food stamp certification is supported with funds from the Department of Agriculture under the 1964 Food Stamp Act, as amended (7 U.S.C. 2011).

In addition, ES is involved with other labor-exchange activities targeted to specific groups. These include employment programs for youths, older workers, and vocational rehabilitation participants. ES also performs functions under the Federal Comprehensive Employment and Training Act (CETA), trade readjustment programs, and the Work Incentive (WIN) program. Generally, ES participates in these programs under financial contracts with the sponsoring organizations. Other programs are funded through the Department of Labor to the State ES agencies.

Local ES officials and various employers told us that compliance functions, such as the transportation and housing inspections for migrant and seasonal farmworkers, investigation and resolution of complaints against employers, and wage surveys, put ES into a conflicting role of enforcing various requirements on employers while soliciting job orders from them. In addition, they claim the time and resources spent on these nonlabor-exchange functions divert resources from finding qualified applicants and work opportunities.

For example,

--Branch office personnel in a rural full service office in Florida said the enforcement of rules and regulations for migrants and crewleaders has hampered their ability to search out and obtain job orders. They believe employers

resent this "policeman" role and, as a result, will not place job orders.

--ES personnel in an urban full service office in Florida told us that the time spent performing alien certification duties limits their capability to contact employers and to obtain job orders. They spent most of their time ensuring that employers are following proper certification procedures and, therefore, did not call or visit employers to obtain job orders.

--Personnel at a suburban Michigan branch office told us they were spending most of their time on UI work-test certifications. They were required to complete approximately 50 to 60 certifications per day, which diminished their ability to serve other applicants.

The following tables list the various ES labor-exchange and nonlabor-exchange responsibilities and functions.

TABLE 1

Labor-Exchange Functions
(note a)

1. Applicant Services
Basic Services

--Registering, Interviewing, and Vocational Guidance
--Job Search Assistance
--Individualized Job Development
--Selection and Referral to Job Opening
--Referral to Training and Other Supportive Services
--Occupational and Labor Market Information
--Counseling and Testing

Special Services

--Preferential Services to Veterans, Especially Disabled Veterans
--Emphasis on Placement of Youths and Older Workers
--Ex-Offender Placement and Bonding Assistance
--Certification, Job Search, and Relocation Assistance to Displaced Workers Under the Trade Act
--Coordination with Community Agencies for Intake, Referral, and Placement of Program Participants

a/For details consult appendix II.

2. Employer Services
Basic Services

--Job Order Taking
--Screening and Referral of Qualified Applicants
--Occupation/Job Analysis
--Testing
--Occupational and Labor Market Information
--Recruitment of Farmworkers and Interstate Coordination of Farmworkers
--Affirmative Action Planning
--Account Executive and Exclusive Hiring Assistance

3. Automation

--Use of Job Bank and Applicant Data System
--Use of Job Matching to Match Applicants to Jobs
--Use of Interstate Clearance System to Refer Out-of-State
--Employment Service Automated Reporting System for Reporting ES Activities
--Employer Information System for Employer Hiring Trends

4. Targeted Jobs Tax Credit Program

--Determination of Eligibility and Issuance of Vouchers
--Promotional Activities, Employers' Visits
--Issuing Eligibility Certificates to Employees

5. Federal Contractor Listing

--Ensure Federal Contractors List Job Orders With ES

TABLE 2

Nonlabor-Exchange Functions
(note a)

1. Alien Labor Certification

--Preparation of Job Order
--Ensuring Employers Meet and Document All Requirements for Publicity of Job Recruitment Efforts

a/For details consult appendix II.

--Conduct Wage Surveys to Determine the Prevailing Wage Rate

2. Migrant and Seasonal Farmworkers (MSFW)

--Monitor Local Office Compliance with MSFW Regulations
--Transportation and Housing Inspections/ Certifications
--Payroll Audits
--Wage Surveys
--Outreach Services
--Identify Apparent Violations of Regulations by Employers
--Resolve Employer Violations or Refer to Appropriate Agency

3. Food Stamp Program

--Administer Work Registration Requirements
--Assignment and Verification of Job Search Contacts
--Reports to Food Stamp Office on Noncompliance

4. Eligibility Review Program

--Administration of Work Registration Requirement for Unemployment Insurance Claimants
--Assist Claimant in the Development of a Work Plan

5. Farm Crewleader Program

--Registration of Crewleaders and Employees (Florida only)
--Assurance of Vehicle and Housing Safety
--Central Registry of Crewleaders

6. ES Complaint System

--Receipt, Investigation, Followup on Complaints Against Employers and ES
--Documentation on Actions Taken to Resolve Complaints

7. Consolidated Farm and Rural Development Program

--Determine Impact of Department of Agriculture Loans to Establish or Expand Agricultural Areas

ES USE OF AUTOMATION

The use of automation by State ES agencies varies considerably among States, depending on the importance State and local ES officials place on data provided. There were a total of six systems in the three States we visited. These six systems are integrated with one another and the data from them are used to provide job, applicant, or performance information.

--Job Bank: A computerized list and description of all listed jobs available in the State is used by job seekers in each local/branch office. These lists are updated daily in Florida, three times a week in Maryland, and twice a week in Michigan. Each State uses Job Bank to assist job seekers. Job Bank and the Applicant Data System may be used to match jobs and people.

--Applicant Data System: A computerized list and description of all applicants is produced by each State. This system and Job Bank provide the basic data for the Employment Security Automated Reporting System.

--Employment Security Automated Reporting System: A management information system which generates statistical and performance reports on specific programs, offices, types of applicants, and job openings. This system is operated by every State ES office. The data allow each State to gauge the performance levels of each local or branch office and Labor to measure States' performance.

--Job Service Matching System: A computer assisted process which matches job applicant skills to employer job expectations. Of the three States in our survey, only Florida used this system. Twenty-one States have automated matching capabilities.

--Employer Information System: A list of employers with the greatest placement potential used by Florida. This system provides information on employer hiring trends for the last five quarters. Neither Michigan nor Maryland use this type of system.

--Interstate Clearance System: A list of job orders and applicants nationwide operated by the New York State Department of Labor for the Labor Department. The list enables workers from one geographic area to identify possible employment opportunities in another. States are mailed microfiche lists on a weekly basis.

Regional, State, and local ES officials could provide little objective information regarding the importance of the various systems in assisting job matching capabilities. The value attached to such systems seems to be more a matter of subjective opinion that ranged from very worthwhile to a waste of resources. None of the three States plan any significant changes in the extent they use these systems because of scarce resources.

We found a consensus among ES officials in Florida, Maryland, and Michigan concerning the cost effectiveness of less frequent updating of Job Bank. Florida officials estimated, for example, that by updating the Job Bank twice a week, instead of daily, they could save from $62,000 to $80,000 annually. However, Labor officials said that they believe less frequent updating could result in jobs being filled before they appear in the system, especially in States where the unemployment rates are lower than those in Florida, Maryland, and Michigan.

The Interstate Clearance System is having limited success in Florida, Maryland, and Michigan. Regional, State, and local ES personnel said jobs appearing in the Interstate Clearance System require highly skilled professionals, willing to relocate. Most applicants, they claim, are not qualified for the jobs, or are not willing to relocate.

The Job Service Matching System enables local ES offices to match applicants and job openings within their State. The search and matching capability can be instantaneous when real-time processing is used, but overnight queries are also possible and less expensive because data can be batch processed. Presently, eight States have real-time capability. Florida has real-time capability in 12 of its 69 offices.

Florida ES officials believe job matching enables them to provide quick service to applicants and employers. This was supported during our visits to three of Florida's local ES offices that have job matching with real-time capability. Local officials confirmed that the job matching system allows them to spend more time with applicants and employers. However, we found that two of these offices--following State instructions--also maintained a duplicative manual system. Local ES officials stated that the manual systems were kept because they are needed to show ES compliance with other program requirements and because some ES staff prefer to use these manual systems. They also told us that the manual system was useful during shutdowns of the automated system.

Job matching information provided by the Florida State Employment Service showed that for the past seven quarters (third quarter 1980 through first quarter 1982) the number of applicant queries and the number of subsequent referrals and placements through the matching system steadily declined. Florida ES officials cited the lack of management emphasis in Dade County on using the job-matching system as the prime reason for the declining trends.

Although the cost of the Job Service Matching System is not readily identifiable, the continued decline in using the system could cause the cost per referral or placement to rise sharply.

The cost effectiveness of the Employment Security Automated Reporting System (ESARS) management information reports is another area of concern expressed by State and local ES officials. They told us that, although considerable effort and expense is incurred in generating these reports, they are generally not used by them to assess State or local office performance. In fact, they questioned how useful the data were in general. Department of Labor officials told us that some States, such as Montana and North Dakota, do use ESARS for local office monitoring.

FUNDING PROCESS AND BUDGET CONSIDERATIONS

Administration of Labor's ES operations and the 54 State ES agencies is funded from the Federal portion of the unemployment tax. Currently, private employers who are required to pay the tax pay an amount equal to 0.7 percent of the first $6,000 of each employee's wages or salary. 1/ These funds are deposited into the Unemployment Trust Fund. Of the 0.7 percent, 0.25 percent pays the Federal share of extended unemployment benefits. The other portion is available for administering ES and UI programs. The Congress annually appropriates moneys from the fund and general revenues for Labor to distribute as grants to the States.

At the present time, 97 percent of the ES appropriation comes from the trust fund and 3 percent from general revenues. The 3 percent from general revenues is used to supplement the tax revenues for the estimated number of employees working for employers exempt from the unemployment tax. Federal, State, and local governments are also exempt from the Federal tax, but the impact of their employees on ES is not considered when appropriating general revenues.

The State Employment Services are currently operating under a $735 million appropriation that is lower than the fiscal year 1981 appropriation and 16 percent lower than originally requested for fiscal year 1982. As of December 1981, the continuing resolution authorizing funds for Labor for fiscal year 1982 had reduced the ES appropriation by $354.5 million (or 40 percent) from the original request. A supplemental appropriation restored about 60 percent of that cut. The following is a history of the fiscal year 1982 ES budget:

1/Certain nonprofit and very small employers are exempt from paying unemployment taxes.

	(millions)
January 1981 request	$879.0
March 1981 revised request	729.0
Third continuing resolution (note a)	524.5
Current funding level (including supplemental appropriation)	735.0

a/Labor's 1982 appropriation was not approved as of April 1982. The third continuing resolution, enacted in December 1981, authorized this amount.

These figures exclude trust fund appropriations to Labor and Treasury for their administrative costs, which totaled about $62 million in fiscal year 1981.

As a result of the budget reductions, State Employment Services changed some of their operations, streamlined procedures, and reduced services. A discussion of the cutbacks and impacts on the operations of Florida, Maryland, and Michigan follows.

Florida

The Florida State ES has approximately $3.7 million less from all funding sources, 275 fewer positions, and 25 fewer offices than in fiscal year 1981.

Florida received approximately $28.5 million from various sources to perform its ES functions during fiscal year 1981. These sources included CETA, Department of Agriculture (Food Stamps), WIN, and Job Corps, in addition to ES grants. During fiscal year 1981, Florida had 885 basic grant positions. It also had 76 Disabled Veterans Outreach Program (DVOP) workers who were paid from CETA. CETA, Food Stamps, Job Corps, and other programs accounted for approximately 549 positions in addition to the basic grant and DVOP positions. Florida ES had 94 full service and branch offices to provide ES services during fiscal year 1981.

Florida received approximately $24.8 million from these sources in fiscal year 1982 to serve applicants and employers and to perform other functions. As of April 1982, the State had 738 grant positions, of which 89 were specifically earmarked for DVOP positions previously funded by CETA. Approximately 497 CETA, WIN, Food Stamp, Job Corps, and other positions will be used by Florida during fiscal year 1982. As of April 1982, Florida had 69 local and branch offices.

Florida officials have taken or plan to take the following steps to streamline operations to perform ES functions with fewer resources:

--Obtain free office space.

--Reduce travel funds used by staff to visit employers.

--Update Job Bank twice a week instead of daily.

--Reduce applicant registration time with shortened forms.

--Increase the use of college student and senior citizen volunteers to perform clerical and/or professional functions.

Maryland

The Maryland ES office has approximately $1.5 million less, and 110 fewer positions than in fiscal year 1981.

For fiscal year 1981, Maryland received about $9.5 million, supporting 417.2 staff years of effort, from the ES basic grant, CETA, Department of Agriculture (for Food Stamps), and Job Corps. Data on staff and funding for the administration of WIN were not obtained because WIN was operated by a separate agency of the Maryland Employment Security Administration. In addition, several CETA prime sponsors contracted with the Maryland ES for over $2.4 million, which supported 77.5 staff years. Thus, the total Federal funding, direct or indirect, was about $12.0 million in fiscal year 1981. This does not include the WIN program.

Maryland ES officials recently estimated that, with the supplemental appropriation, they will receive a total of $8.7 million of Federal funds directly and another $1.8 million through CETA contracts for fiscal year 1982. This $10.5 million is about $1.5 million less than received in fiscal year 1981. The estimated level of effort has fallen from 494.7 staff years in 1981 to 384.0 staff years in 1982, a decrease of 22 percent. The grant-funded position categories experiencing the largest decreases were

	August 1980	March 1982	Decrease
Interviewer	120.0	102.0	18.0
Clerical	30.0	12.5	17.5
Receptionist	26.0	13.0	13.0
DVOP	27.0	18.0	9.0
Rural representatives	10.0	5.0	5.0

Maryland has not closed any ES offices as a result of the cutback, but is taking, or plans to take, the following actions to streamline its operations:

--Closing all separate WIN offices and colocating them with ES and UI offices. This will reduce total expenditures of the Maryland Employment Security Administration which administers ES, UI, and WIN.

--Assigning interviewers and other professional staff to perform file search and clerical functions.

--Increasing use of self registration and group registration.

--Decreasing the registration of UI claimants who are temporarily laid off. Formerly, such claimants were required to register within 3 weeks of claiming UI benefits. That period has been extended to 10 weeks.

--Contacting employers more by telephone and less by personal visits.

--Reducing automated data processing input and output operations.

Michigan

The Michigan Employment Security Commission has approximately $12.8 million less from all sources, 267 fewer positions, and 26 fewer offices than in fiscal year 1981. Most of this reduction is due to a $8.5 million decrease in the WIN program.

Michigan received $41.6 million in fiscal year 1981 to perform its ES functions. Michigan had 1,037 staff during fiscal year 1981 and 111 full service and limited service offices. Of the 1,037 positions, 67 were DVOP slots funded by CETA.

For fiscal year 1982, Michigan received $28.8 million from all sources to perform its ES functions. This will support the work of 770 positions and 85 offices. Most of the offices that Michigan closed after the budget reductions were limited service offices. Of the 770 positions for fiscal year 1982, 82 are DVOP slots.

Michigan ES either has adopted or may implement the following measures to improve its operation and to carry out its efforts with less resources:

--Shortened applications.

--Contacting employers by telephone.

--Update Job Bank twice a week instead of daily.

ES personnel said their flexibility in using ES resources has diminished as a result of fewer resources and a constantly growing number of Federal legislative requirements. They cited DVOP as an example. Michigan must fund all DVOP positions from its ES grant moneys. These positions were formerly funded by CETA, but now ES must set aside a particular number of positions for the outreach program, thereby limiting its staffing options. State and local ES officials told us that problems such as this deter their providing quality services for all job seekers and limit their ability to commit resources to gaining an appreciation for, and understanding of, the needs of employers, as well as introducing nonuser employers to ES.

APPLICANTS SERVED BY ES

According to the Wagner-Peyser Act, access to ES is available to anyone who applies. However, Labor's national statistics showed that the 13 million new job applicants registered by ES in fiscal year 1981 were often younger and less educated than the general labor force. For example, 19.1 percent of ES applicants were age 19 or under compared to 9.6 percent of the general labor force. In addition, 36 percent of ES applicants had not completed high school compared to 25 percent of the general labor force. State ES officials told us that it is a perception problem that tends to cause ES applicants to differ from the typical worker. Both applicants and employers tend to view ES as an exchange medium for only low-paying, low-skilled jobs and are thus discouraged from using the service for better-paying, high-skilled jobs.

According to fiscal year 1981 ESARS tables, new ES applicants had the following characteristics:

Characteristics	Percent
Sex:	
Male	55
Female	45
Age:	
24 or under	45
25 to 39	37
40 or older	18
Education:	
Under 12	36
12 years	42

Characteristics	Percent
Race:	
White	67
Black	19
Hispanic	9
Other	5
Community type:	
Urban	70
Rural	30
UI status:	
UI claimant	24
Non-UI	76
Other characteristics:	
Handicapped	4
Veterans	12
Economically disadvantaged	30
Migrant or seasonal	1

The average national job placement rate for ES applicants was about 28 percent in fiscal year 1981. However, ES placed some groups more frequently:

--Age 19 and under (46 percent).

--Less than 12 years' education (34 percent).

--Veterans (33 percent).

--Migrant and seasonal farmworkers (75 percent).

Conversely, ES placed some groups less frequently:

--Age 30 and over (21 percent).

--With more than 12 years' education (24 percent).

--Claiming UI benefits (18 percent).

Florida, Maryland, and Michigan also placed its younger, less educated, and migrant and seasonal farmworkers more often than their average placement rates. Michigan, unlike Florida and Maryland, placed fewer veterans and handicapped applicants than its average placement rate.

Job Placement Rates as a
Percent of New ES Applicants

Group	Nationwide	Florida	Maryland	Michigan
Total	28	31	15	15
Age:				
19 and younger	46	46	29	33
20-29	27	33	15	14
30 and over	21	23	11	9
Education:				
Under 12 years	34	31	18	18
12 years	26	32	15	13
Over 12 years	24	27	12	13
Characteristics:				
Handicapped	29	37	21	10
Veterans	33	42	20	13
Migrant and seasonal farmworkers	75	59	80	59
UI claimants	18	20	9	7

Special emphasis and
varying placement rates

Some groups of applicants are given special emphasis by ES and other groups are required to register with ES as an eligibility condition under other federally supported programs.

--The Wagner-Peyser Act and other laws specify that ES should give special emphasis to veterans, youths, and handicapped persons.

--The law establishing the UI program has been interpreted by the Secretary of Labor to require availability for employment--a work test--as a precondition for eligibility to collect unemployment compensation. To comply with the work test, the States generally require, either by law or policy, that claimants register with ES.

--The Food Stamp Act, as amended, requires that certain food stamp recipients register with ES.

Even though they are required to register, we found that UI claimants were neither a large part of ES job applicants, nor were they placed in jobs at rates greater than the average placement

rate. As shown earlier, 18 percent of the UI claimants were placed compared with the 28 percent national ES average.

State ES officials offered the following reasons why UI claimants were not placed more frequently:

--UI claimants may be overqualified or are referred to jobs paying less than the ones they previously held.

--UI claimants believe they will be recalled to previous, higher paying jobs and, therefore, are not interested in ES referrals.

--UI benefits discourage unemployed workers from accepting lower paying employment.

--Employers are reluctant to hire UI recipients for fear they will leave when recalled to previous jobs.

--Employers sometimes discriminate against older workers. (UI claimants are generally older than the average ES applicant.)

--Older, more settled applicants are less likely to relocate for jobs.

--Better educated applicants are more job selective.

In contrast, the priority given to veterans seemingly has given them an advantage over other job seekers. As shown above, veterans had higher placement rates nationally as well as in Florida and Maryland. This outcome may be attributable to the resources allocated to helping veterans and the priority given to them in interviewing, job referral, and other ES services.

JOBS LISTED WITH ES AND SUCCESS AT FILLING THEM

Jobs listed with ES are most often less demanding in job skills, pay more than minimum wage, and are frequently for short duration. For example, half of the jobs listed with ES during fiscal year 1981 paid between $3.10 and $3.99 an hour. Approximately 40 percent of the jobs were expected to last 150 days or less.

State and local ES staff told us employers are listing jobs with them that are nonprofessional and lesser skilled and offer little chance for job advancement. They claim ES is successful at filling these jobs because the majority of job seekers are more likely to be interested and have a work history in the lower paying, less skilled occupations. They also believe employers with better paying, higher skilled jobs are not using ES because of an

impression that better qualified applicants are not registered with ES or that they will be sent unqualified applicants. As a result, ES has neither the jobs nor the clientele to serve the businesses and industries which offer better jobs and career potential. Employers told us they do not place better jobs with ES because applicants qualified for such jobs, in their view, do not use the service. These employers would rather use alternative sources, such as want ads, private agencies, or their own recruiting efforts.

Filling employer job orders

The ES lists jobs in 13 groups of occupational categories ranging from career-oriented professional positions to short-term (150 days or less) domestic employment. Although ES frequently offers jobs in clerical, service-related, and professional, technical, managerial occupations, success at finding qualified applicants depends upon occupational category, expected length of the job, and starting wage rate. For example:

--89 percent of farming and packaging and material handling jobs were filled, but only 59 percent of sales jobs.

--92 percent of jobs expected to last 150 days or less were filled, but only 63 percent of jobs expected to last more than 150 days were filled.

--79 percent of jobs paying less than $4 an hour were filled, but only 67 percent of those paying $6 an hour or more were filled.

The three States we visited also varied somewhat according to their fill rates for the occupational categories. The following were the total, highest occupation, and lowest occupation fill rates for each State.

	Total	Highest	Lowest
Florida	56%	80% (domestic)	28% (professional, technical, and managerial)
Maryland	61%	81% (processing)	40% (sales)
Michigan	81%	95% (farming)	53% (professional, technical, and managerial)

Department of Labor officials believe the low fill rate for professional, technical, and managerial jobs in Florida reflects a special situation. They told us that the Florida State government lists some State civil service openings with ES. This increases

the number of jobs listed, but many are filled through other sources, reducing the fill rate for this occupational group.

Overall, Florida, Maryland, and Michigan generally were more successful in filling the lower paying, shorter-duration job openings.

Differences between filled and unfilled job orders

Although ES filled approximately 75 percent of job openings received during fiscal year 1981, unfilled jobs generally paid more than those which were filled. The extent of this difference varied among occupational categories. For example, on the average, the unfilled professional, technical, and managerial jobs offered $1.43 an hour more than the filled openings ($7.26-$5.83). On the other hand, the filled domestic service jobs paid, on the average, 47 cents an hour more than the unfilled domestic service openings.

Filled openings for the occupational categories that were most likely to have long duration were clerical, structural, and bench work occupations. The categories least likely to have long duration were farming, professional, technical and managerial, and packaging and material handling occupations.

EMPLOYER OPINIONS OF ES

To obtain views on the quality of ES services to employers, employer experiences with ES, and the types of jobs employers listed with ES, we contacted 30 employers whose names were provided by local ES offices. Our sample contained 18 employers that used the ES and 12 that did not. Generally, the employers voiced a favorable opinion of ES, and those who recently used the Service said they had good experiences. Employers who use ES do so because it is a quick source of job applicants who are screened and tested. In some cases, they said ES helped them fulfill affirmative action goals because it has significant numbers of minority group or female applicants.

The following is our analysis of opinions from 18 employers who used ES:

--15 said that ES referred qualified applicants.

--12 stated that ES referred applicants in a timely manner.

--10 said ES screens applicants to ensure they are properly qualified.

--7 said that ES helps them meet affirmative action guidelines.

--5 employers said that since they pay taxes to support ES, they believe they are entitled to the services ES provides.

--4 said that alternative methods of finding applicants (newspapers, private agencies, etc.) were either too costly or ineffective.

In contrast, the 12 employers who did not use ES cited reasons reflecting a difference in their hiring approach. Most did their own testing and screening. However, only 3 of the 12 employers said they had been dissatisfied with ES' service because it referred unqualified applicants to them in the past. Employers said they were reluctant to list high-skilled or professional openings with ES because they did not believe ES was able to refer them qualified applicants. Based on their past experience, the employers believed applicants for high-skilled jobs or professional positions do not apply through ES.

The restricted use of ES services by employers is borne out by the job orders these employers placed with ES. For the most part, the jobs required low-skilled, unskilled, or clerical workers. Of the 18 employers we talked with who use ES, 15 said they list clerical and secretarial jobs; 14 said they list low-skilled or unskilled jobs; and only 10 said they list professional/technical jobs.

Of the 30 employers interviewed, several told us they believed ES was not as effective as it could be in providing services to them and placing job applicants. For example, 11 indicated ES staffs were not aggressive enough in marketing the types of services they can provide to employers. Some said that employer contacts with ES personnel were often limited to telephone conversations when job openings occurred. As a result, some employers did not believe they had adequate information on ES programs, such as the Targeted Jobs Tax Credit and Interstate Clearance System, to take full advantage of them.

An approach used to improve ES-employer relations is the Job Service Employer Committee. Employers said these committees had been very actively involved in Florida, Maryland, and Michigan in problem solving and improving the dialogue between employers and ES. Eleven of the employers we interviewed were involved in employer committees. They said the committees' primary purpose is to improve relations between employers and ES by exposing them to each other, thus gaining an appreciation for each other's problems.

As discussed earlier, employers also expressed concern that the burden of nonlabor-exchange responsibilities was taking resources away from ES' primary purpose of matching job applicants with jobs. They said that they were contributing to the trust fund to enable ES to help them find qualified job applicants, but they were concerned that these resources were being used for other purposes.

INTEGRATION OF ES AND OTHER EMPLOYMENT AND TRAINING PROGRAMS

Integration between the ES and CETA programs typically calls for ES to refer qualified applicants (usually based on income and target group) to CETA, and after the applicants have successfully completed training, ES will attempt to find them employment. These agreements are mostly contractual--either financial or nonfinancial--and specifically define the roles of ES and the local CETA program. The purpose of these agreements is to diminish the amount of duplication, competition, and misunderstanding between the two parties.

These agreements also call for coordinated employer contacts, Targeted Jobs Tax Credit vouchering, veteran services, etc. We discussed the integration with CETA at 11 local ES branch offices and found that Detroit was the only one that did not currently have any type of agreement with a CETA program. Of the 10 which do have some kind of agreement, 3 have financial agreements only, 4 have nonfinancial agreements only, and 3 have both financial and nonfinancial agreements. Examples of financial agreements are:

--A $43,892 financial agreement in fiscal year 1982 between the CETA program and the Florida State ES in Jacksonville to outstation ES staff to service CETA applicants and trainees.

--A $320,814 financial agreement in fiscal year 1981 with CETA and the Maryland Employment Security Administration in Baltimore to refer applicants and place trained job seekers.

--A $482,835 agreement between CETA and ES in Tampa, Florida, for ES to administer the CETA On-the-Job Training Program during fiscal year 1982.

The opinion expressed by some administrators of CETA programs was that CETA prime sponsors better serve the economically disadvantaged than does the ES. They believe CETA is more effective in relating to these kinds of job seekers and had a different program emphasis--training in their case, compared to placement for ES. Also, they think employers are not interested in hiring or training persons who are unskilled or not job ready. CETA will prepare them for jobs that are available, while ES will not. Despite these occasional expressions about which programs are more effective for CETA-type clients, most CETA administrators and ES officials said they have good rapport with each other. Both indicated the kinds of linkages currently in place are reducing--but not eliminating--duplication of referring applicants to jobs or services to employers. In one metropolitan area, ES officials told us the competition between ES and CETA to place applicants led to employer dissatisfaction.

Department of Labor officials believe that employers are interested in training unskilled workers if there are incentives to do so. They told us the federally sponsored On-The-Job Training Program was successful and ES placed many people under this program.

Although formal agreements exist between ES and other employment and training programs, we did not have sufficient time to evaluate the effectiveness of these linkages. The integration between employment and training programs and the placement efforts of ES may improve the matching of unemployed workers and available job openings. A closer look at this integration may be warranted, depending on the status of these programs after the current round of legislative changes are in place.

LISTING OF THE U.S. EMPLOYMENT SERVICE'S ACTIVITIES

We identified 17 programs or activities conducted by the Employment Service, both labor-exchange and nonlabor-exchange. For each of these activities, this appendix lists the program title, funding source, description and ES responsibilities.

The 17 programs or activities are:

--Basic Employer Services

--Job Counseling, Training, and Placement Services For Veterans

--Disabled Veterans Outreach Program

--Veterans Employment Emphasis Under Federal Contracts

--Services to Migrant and Seasonal Farmworkers

--Federal Bonding Program

--Alien Labor Certification

--Targeted Jobs Tax Credit

--Trade Adjustment Assistance Program

--Job Corps

--Comprehensive Employment and Training Act

--Job Service Employer Committee Program

--Food Stamp Registration and Work Search Program

--Consolidated Farm and Rural Development Program

--Employment Service Complaint System

--Federal Crewleader Program

--Account Executive and Exclusive Hiring Assistance

PROGRAM TITLE: Basic Employment Services

FUNDING SOURCE: ES Base Grants

DESCRIPTION: To provide labor exchange services for applicants and employers through the development of a national system of

public employment offices. The Wagner-Peyser Act has provisions for specialized services to youths, women, handicapped, and veterans. A system is established for publishing labor market information and clearing labor between the States.

ES RESPONSIBILITIES:

ES has responsibilities for services to applicants and employers. For applicants, ES provides

--interviewing services for identification of job skills, knowledges and interests;

--job development when no suitable opening exists;

--job seeking skills to employable applicants;

--counseling for occupation choice, change, or adjustment;

--testing to explore occupational potential and interest or skill level; and

--referrals to job openings, training, or support services.

For employers, ES provides

--recruiting services for workers with particular skills,

--screening and testing services,

--occupational and labor market information, and

--assistance with affirmative action compliance requirements.

In addition, ES has responsibility for providing a work test for claimants of unemployment insurance.

PROGRAM TITLE: Job Counseling, Training, and Placement Services for Veterans

FUNDING SOURCE: ES Base Grants

DESCRIPTION: The assignment of veterans' employment representatives to ensure veterans and eligible persons receive maximum employment and training opportunities through existing programs, coordination of programs, and implementation of new programs.

ES RESPONSIBILITIES: A full-time Local Veteran Employment Representative is assigned to each local ES office which (1) has 1,200 veteran and other eligible applicants or (2) has 6,000 veterans and eligible persons within its administrative area. All veterans are given preference in interviewing, counseling, testing, job development, and referral to supportive services.

PROGRAM TITLE: Disabled Veterans Outreach Program

FUNDING SOURCE: ES Base Grants

DESCRIPTION: The assignment of disabled veteran outreach workers to perform employment service and outreach activities for the disabled veteran population. A DVOP specialist is designated for every 5,300 veterans of the Vietnam-era and disabled veterans residing in the State.

ES RESPONSIBILITIES: DVOP staff interview veterans in ES offices or independently at outstation sites to meet the employment needs of veterans, especially disabled and Vietnam-era veterans. DVOP staff identify disabled and Vietnam-era veterans in need of employment services to bring them into the mainstream of the labor force.

PROGRAM TITLE: Veterans Employment Emphasis Under Federal Contracts

FUNDING SOURCE: ES Base Grants

DESCRIPTION: Federal contractors and subcontractors receiving $10,000 or more are required to take affirmative action to employ and advance in employment qualified disabled veterans and veterans of the Vietnam era. Each contractor must list its job openings with the appropriate local employment service office.

RESPONSIBILITIES: To ensure Federal contractors are listing jobs with ES and that veterans are given priority in job openings.

PROGRAM TITLE: Services to Migrant and Seasonal Farmworkers

FUNDING SOURCE: ES Base Grants

DESCRIPTION: To ensure MSFWs are counseled, tested, and referred to jobs and training on a basis which is qualitatively equivalent and quantitatively proportionate to services provided to non-MSFWs. Each State agency will operate an outreach program to locate and contact MSFWs who are not reached during normal intake activities.

Any State agency employee who observes, has reason to believe, or is in receipt of information that an employer has violated employment-related or ES regulations must report this information to the local office manager. These violations include

--failing to pay agreed upon wages,

--maintaining substandard housing and sanitary facilities, and

--requiring outdoor work during adverse weather conditions.

ES RESPONSIBILITIES: Local offices are mandated to provide special services to ensure MSFWs receive the full range of services and establish a system to monitor their compliance. Outreach specialists visit residential, business, and congregating sites frequented by MSFWs to explain services available through ES. All ES employees who make frequent employer and worksite visits are involved in identifying apparent violations of regulations. Local office managers take actions to resolve alleged violations or refer suspected violations to appropriate agencies.

PROGRAM TITLE: Federal Bonding Program

FUNDING SOURCE: ES Base Grants

DESCRIPTION: Provides Federal fidelity bonding to reduce or eliminate barriers to employment for ex-offenders and other selected applicants.

ES RESPONSIBILITIES: To inform employers and suitable applicants of the availability of the Federal bonding program. Recruit and refer suitable applicants to employers willing to accept the ex-offender and selected applicant. Prepare certification, reporting, and termination documents required by the Federal bonding program.

PROGRAM TITLE: Alien Labor Certification

FUNDING SOURCE: ES Base Grants

DESCRIPTION: Before the Department of State and the Immigration and Naturalization Service may issue visas and admit certain immigrant aliens to work permanently in the United States, Labor must determine

(1) there are no able, willing, qualified, and available U.S. workers and

(2) employment of the alien will not adversely affect the wages and working conditions of similarly employed U.S. workers.

ES RESPONSIBILITIES: Local and State office staff have responsibility for filing and processing applications for alien labor certification. They ensure the employer has

(1) adequately recruited U.S. workers for the job through advertising, employment service job orders and other specified means and

(2) submitted sufficient evidence of attempts to obtain available U.S. workers.

ES must also conduct wage surveys to determine the prevailing wage rate for the job in the local area.

PROGRAM TITLE: Targeted Jobs Tax Credit

FUNDING SOURCE: Department of Labor

DESCRIPTION: To provide increased employment opportunities for targeted groups of individuals while reducing Federal income taxes of those employers who hire these individuals. Eligible targeted groups are:

(1) Vocational rehabilitation and Veterans Administration referrals.

(2) Economically disadvantaged youth from 18 through 24 years old.

(3) Economically disadvantaged Vietnam-era veterans.

(4) Supplemental Security Income recipients.

(5) State or local general assistance recipients.

(6) Economically disadvantaged youths 16 through 18 years old, participating in a cooperative education program.

(7) Economically disadvantaged ex-convicts.

(8) Eligible work incentive employees.

(9) Involuntarily terminated CETA public service employees.

ES RESPONSIBILITIES: ES and other community agencies are responsible for identifying and issuing tax credit vouchers to eligible applicants. When the applicant is hired, the employer sends the voucher to the ES State office for certification. The State office issues a tax certification for documenting the tax credit. In the case of a student participating in a qualified cooperative education program, the student is certified by the school.

PROGRAM TITLE: Trade Adjustment Assistance Program

FUNDING SOURCE: Adjustment Assistance Trust Fund

DESCRIPTION: Assistance is given to workers adversely affected by import competition. Workers receive reemployment services, training, and monetary allowances.

ES RESPONSIBILITIES: ES provides a full range of applicant services to workers adversely affected by foreign imports. The workers receive indepth counseling, testing, and interviewing to determine their

(1) potential for gaining similar employment at similar wages in the local area,

(2) potential for job search and/or relocation to other areas, or

(3) retraining needs.

ES State office coordinates these activities with offices in other States.

PROGRAM TITLE: Job Corps

FUNDING SOURCE: CETA Title IV

DESCRIPTION: The Job Corps Program, created in 1964 and currently under CETA title IV, provides vocational training, work experience, counseling, health services, and other assistance to disadvantaged youths age 16 to 21.

ES RESPONSIBILITIES: ES is responsible for outreach/recruitment, application taking, referral, and enrollment of youths to Job Corps centers. After termination from Job Corps, the youths return to ES for placement assistance.

PROGRAM TITLE: Comprehensive Employment and Training Act

FUNDING SOURCE: CETA Titles I, II, IV, VI, and VII

DESCRIPTION: To provide job training and employment opportunities to the economically disadvantaged, the unemployed, and the underemployed for eventual entry into unsubsidized employment.

ES RESPONSIBILITIES: ES is responsible for contracting with CETA prime sponsors to provide maximum services to the eligible population, reduce duplication of services, and interface the activities of ES with CETA activities statewide.

PROGRAM TITLE: Job Service Employer Committee Program

FUNDING SOURCE: ES Base Grants

DESCRIPTION: This program is a mechanism for employers to provide input into the management of ES offices. The objective of this

process is to produce significant improvement in ES services to employers and applicants.

ES RESPONSIBILITIES: Funds are used for a variety of activities to increase ES visability and improve the ES image in local communities.

PROGRAM TITLE: Food Stamp Registration and Work Search Program

FUNDING SOURCE: U.S. Department of Agriculture, Food and Nutrition Service, Allocation to the U.S. Department of Labor

DESCRIPTION: The Food Stamp Program requires all able-bodied adults between the ages of 18 and 60, who are receiving Food Stamps and who are not specifically exempt, to register for work with the ES and to accept suitable employment. The program also defines the parameters within which job search may be imposed as a condition of continuing Food Stamp eligibility.

ES RESPONSIBILITIES: The work registration requirement is administered jointly by Agriculture's Food Stamp Program and the Bureau of Employment Services. Food Stamp applicants are required to complete an ES work registration form at the time of application for Food Stamps. ES is responsible for providing the full range of employment services to the Food Stamp applicant, including the assignment and verification of job search contacts. ES also reports to the Food Stamp office the names of applicants who obtain employment or who refuse to cooperate with placement efforts.

PROGRAM TITLE: Consolidated Farm and Rural Development Program

FUNDING SOURCE: ES Base Grants

DESCRIPTION: Federal loans are made by the U.S. Department of Agriculture for development/expansion of business and industry in rural areas. The purpose is to provide increased employment and income to rural workers.

ES RESPONSIBILITIES: Local offices are responsible for determining if a negative or positive impact would result by Agriculture granting a loan to a business establishing or expanding in the immediate geographic area. ES provides labor market information about affected areas and recommendations to Agriculture on whether or not to grant the loan.

PROGRAM TITLE: ES Complaint System

FUNDING SOURCE: ES Base Grants

DESCRIPTION: To establish a system for handling job related complaints against an employer or ES. Generally, the complaints about employers relate to their not fulfilling the terms of job orders listed with ES. Complaints may pertain to the type of work required, pay rates, or working conditions. Complaints about ES pertain primarily to its not providing migrant and seasonal farmworkers with information about nonagricultural jobs and training programs.

RESPONSIBILITY: ES is responsible for investigating and following up on complaints made against employers or ES. They must document actions taken to resolve the complaint.

PROGRAM TITLE: Federal Crewleader Program

FUNDING SOURCE: Employment Standards Administration and ES Base Grants

DESCRIPTION: The following are requirements under the Federal Crewleader Program:

(1) Registration of all farm labor contractors and employees.

(2) A public central registry of all registrants.

(3) Written proof that vehicles conform to all applicable Federal and State safety and health standards and are insured.

(4) Written proof that the housing facilities comply with Federal safety and health standards.

(5) All federally required employee payroll records must be kept.

ES RESPONSIBILITIES: ES is responsible for processing applications of federally liable farm labor contractors and their employees certifying to the adequacy of documents submitted and issuing certificates of registration. Registration certificates are issued annually and supplements are processed and issued as requests are received throughout the year.

Compliance for these requirements, although performed by ES, is authorized through State laws. In Florida, for example, ES personnel are required to conduct vehicle and housing inspections, audit payroll records, enforce child labor laws, and ensure toilet facilities and water were available.

PROGRAM TITLE: Account Executive and Exclusive Hiring Assistance

FUNDING SOURCE: ES Base Grants

DESCRIPTION: These activities are not specifically required by law or Labor regulation, but are special services ES provides to employers. The account executive is an ES staff member who generally is responsible for taking job orders from, and making visits to, specific employers.

Several large manufacturing firms have exclusive hiring agreements with State ES agencies. Under these agreements, ES maintains rosters of applicants who are qualified for a specific firm's most common occupations. This arrangement enables ES to make timely referrals when jobs are listed by an employer. The firm, in return, agrees to send all unsolicited job applicants to ES for registration and screening.

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